

Guidelines

1. The key variables likely to condition Soviet economic performance in the 1980s are labor and energy.
 - a. Labor. A slowdown in labor force growth begins this year and will continue through the 1980s. Moscow can do little to alleviate this situation. Measures such as keeping older workers on the job longer, or shortening the term of service in the armed forces would only provide a small one-time boost to labor force growth.
 - b. Energy. The Soviets are not finding and developing new oil deposits rapidly enough to offset declines in their older fields, while production techniques now in use focus on short-term gains at the expense of maximum lifetime recovery. Even if development of other energy sources is pushed to the maximum, we expect a sharp slowdown in the annual rate of growth